PMIC Transition Workgroup Minutes

Wednesday, December 7, 2011
12:30 pm to 3:30 pm
Magellan Health Services
2600 Westown Parkway, Suite 200
West Des Moines, IA

MINUTES

Facilitator: Beth Waldman

Attendance in Person: Joan Discher, Scott Halverson, Marilyn Lantz, Don Gookin, Kristie Oliver, Vern Armstrong, LeAnn Moskowitz, Wendy Rickman, Dennis Janssen, Jennifer Vermeer, Brock Wolff, Dan Freeman, Jim Ernst, George Estle, Amber Rand, Belinda Meis, Mike Barker, Children's Square, John Bellini, Hillcrest

DHS Staff: Laura Larkin, Kelly Espeland, Julie Fleming

Other Attendees:
Tonnie Guagenti, Orchard Place
Jason Wagner, Boys and Girls Home
Tina Renken, Boys and Girls Home
Carmen Pease, Boys and Girls Home
Carole Utesch-Boys and Girls Home
Tim Harris, Milliman
Deb Dixon, DIA
Deb Gay, LSI
Paula Feltner, Boys Town
Karen Jones, Children's Square
Lyle Krewson, LSI

Administrative Discussion/Recommendations
The plan for today's meeting is to discuss the preliminary report to the legislature which is due on Dec. 9 and review the handout entitled "PMIC Transition Committee: Meeting Three."

Comments

- How is the group going to accomplish the agenda in 3 hours? There is hesitancy to agree to move to Magellan without major issues being solved.

- PMICs would like parameters set before the transition is set to happen with more concrete guidelines in the report.
- There is agreement that redesign work overrides some PMIC group issues but not sure all of the identified issues have been dealt with in the group.
- Beth Waldman responded by saying this process is different from the BHIS process as MHDS redesign wasn't happening when BHIS was transitioned. We can look at the report and make recommendations as the workgroup will continue. However, it is difficult to determine issues such as levels of care without knowing what the landscape will be due to redesign.
- Reimbursement issues have been looked at for years and not settled, now trying to do it in three meetings.
- What points need to be resolved before PMICs move to Magellan?
- Jennifer Vermeer suggested evaluating progress at 3pm and deciding how to proceed from there.

Review of PowerPoint by Beth Waldman

- Slide 3, administrative requirements: the plan is to move PMICs to the Iowa Plan without major changes to licensing and credentials. Brock Wolff forwarded PMICs concerns about licensing, some were not changed due to federal requirements, and some DHS did not have authority to change. It is viewed as being beneficial to not make major changes while redesign is occurring.
- Requirements for supervision of independently licensed staff don't match other state requirements. PMICs are required to meet higher levels of supervision than licensure requires. PMIC regulations require LISW to receive one hour of supervision per week, even though their licensure does not require this.
- When DHS reviewed this before, DHS was in agreement with changes, but it is a DIA rule.
- Jennifer Vermeer said that DIA and DHS are having conversations about other licensing issues and DHS can talk to DIA about this.
- Deb Dixon from DIA added at a later point in the meeting that the rule is in DHS rules, not DIA.
- If licensing will stay the same as it is now, with DIA and DHS in charge, will there be credentialing changes under Magellan?
- Joan Discher stated that Magellan will accept DIA's certification of PMICs.
- If BHIS credentialing did change under Magellan, would Magellan consider similar changes?
- Joan Discher said the difference is that there were no credentialing requirements for BHIS previously. PMIC services have credentialing requirements and it is recommended that those PMIC requirements would not change under Magellan.
- Beth Waldman summarized that the group would like to make a recommendation to change supervision to follow applicable licensure standards for the independently licensed professionals.

PowerPoint Review, con't.

- Slide 3, prior authorization: The recommendation is to keep the process the same as is currently used, except that Magellan does phone authorizations instead of written requests for authorizations.

- Joan Discher said that Magellan does all of their prior authorizations by phone because it allows for a dialogue between the reviewer and the clinician and allows for a response in 15 minutes.
- In group care, services are authorized the date of the call but the child may be in the facility earlier. Will they authorize to date of admission?
- Joan Discher stated that PMIC prior authorizations can be placed in the intake queue and completed immediately.
- PMIC admissions are currently pre-authorized before they are admitted.
- Scott Halverson from Alegent stated that they call in the day of admission for substance abuse PMICs. It helped when they had one reviewer from beginning to end, who understood the system.
- PMICs would prefer to call ahead and have confirmation before admittance.
- Joan Discher stated that PMIC admissions can be part of the intake queue and for concurrent stay will have a scheduled call with a specific person.
- Beth stated that it appeared everyone was in agreement with this process.

Utilization Management Guidelines (UMGs)

- Kelley Espeland stated that IME currently approves initial authorizations for up to 90 days, continued stay reviews can be up to 90 days but are usually less.
- PMICs are OK with this continuing.
- Currently substance abuse PMICs get 14 days initially and up to 10 days on follow up reviews.
- Joan Discher stated that Magellan would continue to follow this guideline for substance abuse PMICs and manage mental health PMCIS differently as the clinical issues were different.
- The plan is to continue using the same UMGs as is currently used for PMICs through IME.

Outcome Measurement

There are several items that could potentially be used to measure outcomes. These include:

- Average length of stay (ALOS)
- Readmission to any PMIC
- Discharge plan in place
- Family involvement

Within the next 6 months, these would be defined and Magellan would gather data to set a baseline.

Workgroup Comments

- Concerns about ALOS as an outcome. ALOS has increased because services are not available in the community. MHDS redesign should improve this, so PMICs can't be held responsible for this in the meantime.
- How do we know that ALOS is relevant as the facilities being measured serve different populations?
- Beth Waldman replied that it's a data point that should be looked at to set a baseline. The research says it's relevant.

- Suggestion was made to refer to “measures” not “outcomes.” Mental health redesign refers to use of PMIC for short term readmission but this would be looking at reducing that.
- Joan Discher stated that for these types of measures, we would do a provider profile for providers with more than 50 clients and send it to providers so they can review it their data against other like providers. It is not to punish providers, but for organizations to have a data point to compare with other similar organizations.
- Jennifer Vermeer stated that we need better data, where they are, how they move, etc. to know more about the system.
- Suggestion was made to use the term “baseline measurement” instead of outcomes.
- What does family involvement mean? How should it be defined?
- Jennifer Vermeer stated that we could use the CHI or some other standardized assessment tools. Even then, it will get complicated on how to measure and how to calculate.
- Don Gookin discussed past PMIC measurement work and the debate about outcomes vs. system measures. Satisfaction measures had been agreed upon by a PMIC provider group. A provider brought a copy of the measures agreed upon which was shared with the group.
- Was IQ included as a measure? It was part of the acuity scale considered by the group.
- Jennifer Vermeer asked if this was close to being done.
- The group said no, not really.
- Beth asked if the group was OK with using these for baseline measures and to further define them, with data to be gathered starting in July 2012.
- There is a concern about using a measure that says 6 months after PMIC discharge the child “failed” or was readmitted. Is this held against the PMIC?
- Jennifer Vermeer stated that measures might change as the redesign process identifies overall system measures.

Further Discussion of PMIC Outcomes Document:

- Jennifer Vermeer asked how many PMICs use Electronic Health Records (EHR) that will be able to connect to the health information exchange. There may be a way to connect data through that. PMICs did not directly respond to this question, some indicated that they used EHR.
- Joan Discher stated that CMHCs are using a system that will allow them to connect to the health information exchange and be compliant with new requirements.
- Would PMICs have to use that system? Jennifer stated that we would have to provide detail later on.
- A concern was expressed that measure #2 on the document was too prescriptive, as not all families are able to participate, it was suggested that this read “per treatment plan.”
- Jennifer stated that we could put the PMIC outcomes draft document in the report as the recommended areas of outcomes with further refinement. DHS will draft a report, send it out for PMIC comment, and will submit late if necessary.

Jennifer also pointed out that there is a requirement to produce a report now, but the group will continue after Beth's facilitation ends.

- PMICs had concern regarding Slide #8, school coordination requirement. School is not a Medicaid issue so how would this be measured?
- Jennifer Vermeer stated that we are looking at the whole child and would want to measure it because it's an important indicator of progress.
- Comment was made again regarding comparing lengths of stay of different types of PMICs. Should there be proportional measures?
- Beth responded that we have to set baseline measures and gather the data and then decide what to do with it.

Review of slide #5, Rate Setting

- Rates would stay the same and follow the same methodology as currently in code.
- Don Gookin stated that rates would be retroactive in 2012 for services provided in 2011.
- Joan Discher stated that PMICs would get paid a per diem rate that would be reconciled when cost reports come in annually as is the current process.
- Jennifer Vermeer stated that with the ancillary services issue still unresolved, we want to leave base rates the same while dealing with ancillary issues, then look at any changes after ancillary is resolved. We have seen a steady increase in the cap to allow for increased costs, but it is too much to add another methodology right now.
- What would be the reimbursement process in the future?
- Jennifer Vermeer responded that it can't stay the way it is indefinitely, and we may also look at a second level of reimbursement, as part of the out of state issue. DHS doesn't want to lock into a reimbursement method in the appropriations bill that doesn't allow any flexibility. However, changes may not happen until after July 2012 and I do not think that a reimbursement change can be implemented by July 2012.
- Jennifer Vermeer said that IME will continue to do cost settlement and provide Magellan that rate. IME does not prefer that type of model. There are other reimbursement models, such as DRG that hospitals use that apply acuity based reimbursement and others are performance based. We can look at them all. The larger system redesign will also be looking at that. We will have another year to look at utilization and data. Providers will continue to be involved in the reimbursement model design but we are not anticipating that work to happen until after July 2012. We do want payment systems to be aligned with where we want the system to go.
- Kristie Oliver stated that this seems similar to the BHIS conversation. Providers were told things were not going to change under Magellan and then they did. The follow-up conversation has not happened. PMICs in an earlier meeting stated that they did not want to go forward if rates are not settled but now they seem willing to. Use of BHIS in group care is an issue of concern for providers that needs to be addressed.

- Joan stated that we have had ongoing meetings with the BHIS providers but we need data to review in order to respond to their concerns.
- Group care facilities are being told there would be 6 month authorizations and then no longer. Reviewers are providing different information from what providers were told.
- One provider stated their agreement with maintaining the current rate system but asked if there was a safeguard once PMICs were under Magellan to protect their rate structure and to know what the next step is.
- Beth Waldman stated that they have the legislative safeguard of transition meetings through 2013. There will be a report that says what the rate plans are.
- Once the report is submitted, is there any further oversight?
- Kristie Oliver stated that DHS is to report to the legislature on the transition through 2016.
- Providers would like more details settled before transition and would like to know what the rate will be in the second year.
- Jennifer Vermeer stated that may not be possible. There are many unknowns.
- Kristie Oliver stated that she would like the PMIC group to commit to engage with Magellan and address concerns.
- Jennifer Vermeer stated that it is hard to commit to certain actions without the larger workgroup completing their work. PMICs are an important part of the service array and have to be considered as part of the larger system. DHS thinks PMICs are more than the PMIC service. They provide many parts of the array and are wanted as a participant in that planning and evolution of the overall system.
- Kristie Oliver asked if we can add that new rate setting is enacted with consensus of the workgroup.
- Joan Discher stated that it is hard to set rates that will be agreeable to everyone.
- Jennifer Vermeer stated that not all will be happy with the result, but it is a process that has to be gone through methodically.
- A PMIC commented that as we look at market rates, and see PRTFs in other states with higher rates, we don't have that.
- How do insurance companies set rates? What kind of factors do they consider?
- There should be some statement in the report that says that PMICs will stay in the conversation and identifies their legislative protections.
- Jennifer Vermeer stated that DHS will look at making changes to code and it will go through the legislative process. It will not change to "as set by the Iowa Plan" as BHIS is. Due to the institutional nature of PMIC, it will remain in the legislative process; however, there is a need for flexibility so that children with high needs can be served in state.
- Joan Discher stated that Magellan is fine with the legislature setting the rates.

Discussion of Slide 6, Ancillary Services

- Beth Waldman provided an overview of the two ancillary calls to date.
- Ancillary billing through the PMICs is required by CMS. Two states, Oklahoma and Montana, are currently doing this. Each pays ancillary costs as part of an overall bundled per diem rate. It is not clear how it affected providers. There is

more information available from the state perspective. IME has requested a call with CMS and the PMICs.

- Jennifer Vermeer stated that she has talked to James Scott, Regional CMS administrator, about the challenges of changing the ancillary billing process, the need for technical assistance from CMS and the need for CMS to hear from providers on the problems. He will work on getting a call set up with appropriate central office CMS staff.
- Beth Waldman stated that CMS may listen to you, but may not give you a reprieve as other states are doing it. It is about changing business practices and CMS doesn't have expertise in how to run a business.
- Kristie Oliver stated that Sens. Harkin and Grassley are not going to help with this issue.
- CMS is not consistent in their expectations with states. Will Iowa challenge CMS on the ancillary issue?
- CMS is becoming more consistent.
- Jennifer Vermeer stated that it's expensive, Kansas and Virginia lost, and she doesn't see it as being successful. There is also the risk of a financial pay back to CMS if unsuccessful.
- Beth stated that the state could have to pay back FMAP if they lose the court challenge.
- Jennifer Vermeer stated that Kansas had a financial pay back. Iowa hasn't had to so far which is good.
- Kristie Oliver stated that other states aren't submitting SPA's until this is settled.
- Beth Waldman stated that we have to develop an ancillary rate as an add on to per diem, based on data, but need right data on what kids actually receive while in PMIC.
- Kristie stated that Deb Gay from LSI had some remedial services in her data to be excluded as well as some pharmacy services that were outside the dates of the stay.
- Beth asked if LSI had a sense of what were the cost outliers and the catastrophic types of services?
- Deb stated that the biggest concern was the high volume of the pharmacy charges and the difference between the actual charge and Medicaid reimbursement.
- Beth Waldman stated that the recommendation for the legislature to require pharmacy and other providers to who provide Medicaid services to also contract with the PMIC and to accept the Medicaid rate for the services. This language will be included in the draft report.
- IME is going to work with Milliman to get the data ready for review.
- Beth asked IME what the time frame is for this to be completed? Don has a call scheduled with Milliman to work on this.
- Tim from Milliman stated that they have some of this data already and feel it can be done in short order.
- Deb Gay stated that they did receive services in their list that were outside the dates of PMIC services.
- Why did this happen?

- Don Gookin stated that it has to do with the amount of claims and the provider types. They have to query each individual provider and then separate all services. It is a complicated data extraction.
- Is the legislation only effective for Medicaid eligible children in PMIC? Yes, the PMICs will only be responsible for paying for ancillary services for children that are Medicaid eligible so don't need language that extends to other children.
- What will be the PMIC's responsibility in a Medicaid audit as they would be handling large amounts of claims?
- Beth stated that that is a question for CMS. Managed care providers are audited the same as Medicaid is. Will PMICs be treated the same as they will be handling large amounts of pharmacy claims?
- Jennifer Vermeer stated that program integrity can be queried. Queries can also occur when providers are getting paid for a service provided by someone else.
- What about kids who aren't Medicaid eligible when they are admitted?
- Jennifer Vermeer stated that they should be managed the same way they are managed now.
- Procedures regarding non-Medicaid children can be added to the legislative language.
- Do providers have to have a contract with ancillary providers?
- Providers at least need an agreement or Memorandum of Understanding.
- Kristie Oliver stated she hasn't heard from providers if they are for/against a single clearinghouse to manage ancillary claims.
- This should be looked at. Would there be a way to bundle some services like psychiatry that are more predicable? Magellan is currently paying psychiatrists, not in the per diem rate.
- Jennifer Vermeer stated that under IMD rules, the psychiatric services will have to be included in the per diem rate. We will also need a data match against Magellan for services to children in PMICs.
- Tim from Milliman stated that they did only look at the times when children were in a PMIC but are looking at ancillary charges more closely to make sure appropriate charges are included.
- Beth Waldman suggested a quarterly reconciliation of ancillary charges with the option to reconcile sooner if there is a high-cost outlier.
- Will PMICs have to discharge to avoid paying for emergency hospital admissions?
- There will need to be some provision for exception to policy payment in emergency situations.
- Jennifer Vermeer said there will need to be changes in legislation so we are not limited by caps on rates.
- What mechanism will be there for exception to policy?
- Jennifer Vermeer said DHS would like a different method of dealing with unusual situations as it is an expensive and difficult process.
- How can we be flexible to serve kids creatively? There will also be a process to address high-cost medical issues and other potential outliers.
- Joan Discher stated that we can do that in the joint treatment planning conference and pay for it under wraparound.

- Will ancillary costs be billed through Magellan or IME?
- Jennifer responded that we don't know. That will be a question for CMS.
- Can IME be the clearinghouse? It is requested that this question be asked of CMS.
- Don Gookin replied that CMS has said before that all the payments have to go through the PMIC. Until we have a specific plan for them to respond to, it is difficult to say what they will allow.

Review of Slide 7, Administrative Changes Related to Ancillary Services

- Beth reviewed the need for increased numbers of PMIC administrative staff to process claims and upgrades to IT systems, and that providers would need technical assistance on contracting with Medicaid providers.
- Could PMICs have a standardized contracting document that all the providers could use?
- If the legislature approves PMIC changes to the IME-Magellan contract and PMICs contracting with Medicaid providers, could those changes be added on to the Medicaid contracts with providers?
- Jennifer Vermeer stated that IME has about 30,000 contracts with providers so that may not be possible.
- Does IME need system changes to ensure no separate ancillary payments are made while kids are in a PMIC? Would prior authorization of ancillary services still be required for services paid for by the PMIC?
- Do PMIC providers have a clear enough understanding of what is medically necessary to recognize fraud?
- The answer was "maybe."
- What about charges when children are on home visits? IME is not sure how that would be handled.
- Would it be less expensive to have a clearinghouse manage the payments?
- Kristie Oliver reviewed her idea on IME functioning as the clearinghouse. IME pays Magellan the rate, Magellan pays the rate to the PMIC and the PMIC pays the clearinghouse (IME) the difference.
- It is worth looking at a clearinghouse but it may be a duplication as the PMIC would still have to monitor the claims for accuracy and gather the information.
- Jennifer Vermeer stated that other providers use clearinghouses, such as school districts.
- Dennis Janssen from IME stated that IME doesn't accept all clearinghouses because not all are compliant with the IME computer system. A clearinghouse could make sure claims are consistent with the correct coding initiative (CCI) and other audits.

Comments/Questions

Comment:	How will continued stay and discharge planning change under Magellan? Will they use the same continued stay criteria as IME does?
Response from Joan Discher:	Yes, they will use the same criteria.

Comment:	PMICs have experienced different interpretations from different reviewers. There is a concern about the criteria and usage of it, especially when dealing with children who have no other place to go.
Response from Jennifer Vermeer:	The move to Magellan will reduce problems with where children are discharged to as there will be more joint treatment planning and focus on transition.
Comment:	There seems to be a feeling that PMICs are keeping kids too long but without step down options; therefore, longer lengths of stay will continue. PMICs have spent a lot of time with reviewers explaining this.
Response from Beth Waldman:	Would the PMICs present scenarios for continued stay with Magellan at the next meeting to gain a better understanding of how Magellan would handle those situations?
Comment:	The two substance abuse PMICs use ASAM guidelines so it is not the same criteria as PMIC continued stay.
Response from Joan Discher:	All the PMICs have the UMG guidelines so they should know what the criteria are.
Comment:	There will be a change in reviewers and managing organization. This is not good or bad, but it is a change. Bed capacity may change in the transition/stable year. If it drops during a year where rates are held the same, there may be a loss of revenue without a change in fixed costs.
Comments:	Rates have never been what they should be to support the service. High occupancy has been used to support the programs.
Response from Jennifer Vermeer:	All PMICs have waiting lists and there will be additional children currently served out of state to be served so their occupancy shouldn't decline.
Comments:	PMICs need to try to project what the financial implications are without losing programs.

Comments Related to Continued Stay

- PMICs want the process worked out ahead of July 2012, not during first 6 months of transition. The children's disability workgroup seems to think PMICs are holding on to kids too long but this may not be the case.
- What happens today when IME won't reauthorize or authorize a new stay?
- A PMIC had an issue with IME where authorizations were abruptly cut off. They had to educate the reviewer and have a more open dialogue and then it improved.
- Jennifer Vermeer stated that we can't keep everything the same, but we will maintain the rate and the credentialing required.
- Wendy Rickman said that in regard to BHIS issues, there needs to be some recognition that DHS is going to manage with the data. There have been BHIS issues recently brought up regarding high rates of children in group care losing BHIS services and this is not based on data. Five children were not reauthorized for BHIS in group care. We need to focus on the data.
- Beth Waldman stated that we don't have the baseline data on prior authorization and continued stay from IME. With this, we would be able to compare it to Magellan after the transition.
- Jennifer Vermeer stated that DHS has reviewed BHIS denial rates before and after transition to Magellan. They have remained basically the same.
- Beth Waldman asked what are the right indicators to look at?
- It is difficult to deal with perception vs. reality. How do we get people to trust the data? There will be perception issues that may drive actions.
- We can use data now to look at possible problems, past denials, difficult cases, and work with Magellan ahead of this to avoid future problems.
- A PMIC has used the Joint Treatment Planning process to get extended stays in PMIC.
- Wendy Rickman stated that BHIS denials have been based on kids who have made no progress in several years. They have denied 5 kids. Whose responsibility is it? Are they there because there is no foster home or other place for them to go? If so, that is a DHS issue. However, we still want to see progress in the placement. Magellan and DHS will release a joint letter regarding BHIS in group care and how to be involved in the JTP process. Sharing of the data will be important so we need to agree on data to be shared and get it out for BHIS and for PMICs.
- Kristie Oliver stated that it should be in the report that data will be shared about admission, continued stay approval and denials so PMICs can manage risk and plan ahead.
- Joan Discher stated that's what they are trying to do to better understand where the system is.
- Kristie Oliver would like it stated publicly.
- ALOS and other data are misleading. The example of substance abuse PMIC data not showing the full picture of where children went after discharge. It was viewed as a negative comparison toward mental health PMICs.
- Kristie requested that it be in the report that there will be baseline data available before the transition.

- If the kids have no place to go, a PMIC can't discharge.
- Jennifer Vermeer stated that the PMIC can't be held accountable for that but IME can hold Magellan accountable for making services available.

Comments on Final Report

- When will the group receive the draft report for review?
- Beth has the draft, will send it tomorrow to the group.
- Jennifer stated that we will plan on getting the report out next Friday and will get it to the group early next week for review. It may be a week late for submission.

Next Steps

- We will schedule another PMIC group in February as well as some ancillary meetings. We would like to get the ancillary work done first.
- Beth stated that we will need the ancillary utilization data from Milliman and IME before the next ancillary meeting.

Meeting Adjourned

For more information:

Handouts and meeting information for each workgroup will be made available at: http://www.dhs.state.ia.us/Partners/MHDSRedesign.html

Website information will be updated regularly and meeting agendas, minutes, and handouts for the redesign workgroups will be posted there.